

**ESTIMATED BUDGET EFFECTS OF
THE "ENERGY IMPROVEMENT AND EXTENSION ACT OF 2008,"
SCHEDULED FOR CONSIDERATION ON THE SENATE FLOOR ON SEPTEMBER 18, 2008**

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
I. Energy Production Incentives													
A. Renewable Energy Incentives													
1. Extension and modification of the section 45 renewable energy credit - extend by two years (one year for wind and refined coal) the section 45 placed-in-service period (excluding Indian coal and solar facilities); add marine and hydrokinetic energy as qualified energy resource; allow new biomass units to qualify for credit; clarify definition of trash combustion facilities; change definition of qualified hydropower production; and remove market value test for refined coal and increase emissions standards for refined coal.....	[1]	-142	-395	-569	-633	-653	-661	-677	-694	-699	-695	-2,392	-5,817
2. Extension and modification of the section 48 energy credit - add CHP and geothermal heat pump systems at 10% credit, increase fuel cell credit cap to \$1,500 per half KW, waive public utility rule, and allow against AMT; (sunset 12/31/16).....	[2]	-157	-198	-236	-217	-210	-224	-236	-230	-130	-56	-1,018	-1,894
3. Energy credit for commercial small wind property (sunset 12/31/16).....	ppisa DOE	-1	-2	-3	-4	-5	-7	-8	-10	-6	-2	-16	-48
4. Extend and modify credit for residential energy efficient property - allow credit against AMT, remove solar electric property cap; and add small wind (\$4,000 cap) and geothermal (\$2,000 cap) property (sunset 12/31/16).....	tyba 12/31/07	-47	-127	-130	-135	-140	-146	-152	-157	-156	-106	-578	-1,294

[illegible]

[illegible]

[illegible]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
5. Extend and increase excise tax rate for the Oil Spill Liability Trust Fund (\$0.08 through 12/31/16, and \$0.09 for 1/1/17 through 12/31/17); eliminate the provision that suspends the tax when the trust fund unobligated balance exceeds \$2.7 billion.....	[12] & DOE	155	157	159	161	162	163	164	165	206	221	795	1,715
Total of Provisions that Raise Revenue		1,305	990	813	900	1,170	1,413	1,993	2,549	2,838	3,022	5,179	16,995
NET TOTAL		-557	-1,625	-961	-1,691	-1,872	-381	987	1,754	2,080	2,326	-6,709	61

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2008.

Legend for "Effective" column:

apa = appliances produced after
 Apa = alcohol produced after
 bia = bonds issued after
 bib = bonds issued before
 cdca = carbon dioxide captured after

DOE = date of enactment
 ea = expenditures after
 fpsoua = fuels produced, sold, or used after
 frap = Federal regulations are prescribed
 pa = payments after

ppisa = property placed in service after
 soia = sales or installation after
 spa = services performed after
 tyba = taxable years beginning after
 wpa = wages paid after

- [1] The proposal is generally effective for property originally placed in service after December 31, 2008. The repeal of the credit phaseout is effective for taxable years ending after December 31, 2008. The production credit for marine renewables is effective for electricity produced and sold after the date of enactment in taxable years ending after the date of enactment.
- [2] The provision extending the 30-percent credit is generally effective on the date of enactment. The CHP credit and the increase in the credit cap for fuel cells apply to periods after the date of enactment, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code (the "Code") (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The provision relating to the restrictions on public utility property applies to periods after February 13, 2008, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Code (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The allowance of the credit against the alternative minimum tax is effective for taxable years beginning after the date of enactment. The energy credit for geothermal heat pump systems is effective for property placed in service after the date of enactment.
- [3] Credit rate set at 70 percent of the credit rate that would allow bonds to be issued without discount or premium.
- [4] Credit is available for 15 months for existing facilities and one year for new facilities.
- [5] Effective for fuel produced after October 1, 2008, and one year from date placed in service for new facilities.
- [6] Loss of less than \$500,000.
- [7] Estimate provided by the Congressional Budget Office.
- [8] Gain of less than \$500,000.
- [9] Effective for property placed in service after the date of enactment in taxable years ending after the date of enactment.
- [10] Effective for claims for credit or payment made on or after May 15, 2008.
- [11] Generally effective for transactions on or after January 1, 2011, for stock in a corporation; January 1, 2012, for mutual funds; and January 1, 2013, for other securities.
- [12] Effective for the first quarter that begins more than 60 days after the date of enactment.